

Message Text

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51

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 PRS-01 SS-20 NSC-07 PA-04

USIA-15 INR-11 RSC-01 DRC-01 ARAE-00 /092 W

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P 051300Z AUG 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 7557

LIMITED OFFICIAL USE BUENOS AIRES 5760

E.O. 11652: N/A

TAGS: ETRD, PFOR, AR, CU

SUBJECT: CUBA TRADE: COMPLAINT BY GOODYEAR

REF: A) STATE 167506

B) STATE 167654

C) BA 5614

D) BA 5423

E) BA 5266

F) BA 4646

G) STATE 159175

1. I AM SURPRISED THAT A GOODYEAR OFFICIAL EXPRESSED UNHAPPINESS CONCERNING MY HAVING TOLD ARGENTINE FOREIGN MINISTRY OF NEGATIVE DECISION BY USG AGENCIES ON APPLICATION FOR LICENSE TO EXPORT TIRES TO CUBA MOUNTED ON VEHICLES FROM NON-U.S.-OWNED MANUFACTURERS IN ARGENTINA.

2. I SUGGEST THAT KUBISCH INCLUDE THE FOLLOWING POINTS IN HIS REPLY TO THE GOODYEAR OFFICIAL:

A) I WENT TO THE FOREIGN MINISTRY TO DISCUSS CUBA-RELATED PROBLEMS, ESPECIALLY THE 620 (A)(3) PROBLEM. IT WOULD NOT HAVE BEEN LOGICAL FOR ME TO OMIT ANY MENTION OF THE DENIAL OF EXPORT LICENSES TO GOODYEAR AND FIRESTONE SUBSIDIARIES. DURING THE CONVERSATION WITH UNDERSECRETARY CARASALES, I ALSO MENTIONED THE PROBLEM OF THE GREGG CASE, WITH WHICH HE WAS FAMILIAR AS THE BELGIAN AMBASSADOR HAD BEEN TO THE FOREIGN OFFICE ON THIS

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SUBJECT. I WAS AWARE OF THE FACT THAT GOODYEAR REPRESENTATIVE

HAD BEEN SPEAKING OPENLY AT THE AMERICAN CLUB AND THE GOURMAN-DIZERS CLUB, AND I DID NOT WANT IT TO BE SAID THAT I HAD NOT NOTIFIED THE FOREIGN OFFICE, WHERE I WAS ASKED IF THERE WERE ANY OTHER CUBA-RELATED OUTSTANDING PROBLEMS. I SAID YES, THAT WE HAD BEEN NOTIFIED BY STATE OF THE ACTION TAKEN BY THE USG RE GOODYEAR AND FIRESTONE. THE GOA WOULD SURELY HAVE LEARNED ABOUT IT FROM THE ARGENTINE EMBASSY IN WASHINGTON, AND WOULD UNDOUBTEDLY HAVE FELT UNHAPPY ABOUT MY NOT HAVING TOLD THEM. I FEEL THERE IS NO NEED TO APOLOGIZE TO AN AMERICAN COMPANY FOR COMMUNICATING TO THE ARGENTINE GOVERNMENT A DECISION MADE BY THE USG AFFECTING THAT COMPANY'S ARGENTINE SUBSIDIARY.

B) ACCORDING TO SENIOR EXECUTIVES OF GOODYEAR'S ARGENTINE SUBSIDIARY, THEY HAD FIRM INSTRUCTIONS FROM HOME OFFICE AT AKRON TO INFORM ARGENTINE GOVERNMENT OF USG DECISION. FYI ONLY: LOCAL GOODYEAR PRESIDENT EXPRESSED RELIEF WHEN I INFORMED HIM ON EVENING OF SAME DAY THAT I HAD TOLD UNDERSECRETARY CARASALES ABOUT THE NEGATIVE DECISION. HE SAID "THAT TAKES ME OFF THE HOOK". END FYI.

C) OTHER EMBASSY OFFICERS AND I HAVE BEEN IN CONTINUOUS CONTACT WITH LOCAL U.S. OFFICERS OF GOODYEAR SINCE THEY FIRST INFORMED US OF THIS PROBLEM IN LATE JUNE. THEY WERE AWARE THAT WE WERE SENDING TO WASHINGTON CLASSIFIED REPORTS OF DEVELOPMENTS ON THE CASE (THE MOST RECENT ONE OF WHICH - REF (C) - FOR REASONS UNKNOWN TO US, WAS APPARENTLY USED BY THE DEPARTMENT'S PRESS BRIEFING OFFICER AS BASIS FOR A PUBLIC STATEMENT ON AUGUST 1).

3. I DO NOT CONSIDER THAT THIS EMBASSY'S ACTIONS WERE INAPPROPRIATE OR THAT WE HAVE GIVEN GOODYEAR ANY LEGITIMATE GROUNDS FOR COMPLAINT OF INCONVENIENCE OR EMBARRASSMENT. ON THE CONTRARY, THE LOCAL OFFICERS OF GOODYEAR HAVE TOLD ME THAT THEY HAVE BEEN VERY PLEASED WITH THE WAY THE EMBASSY HAS COOPERATED WITH THEM.

4. ON MORNING OF AUGUST 2, I RECEIVED A MEMORANDUM FROM A REPRESENTATIVE OF ANOTHER AGENCY ATTACHED TO THE EMBASSY, WHICH I QUOTE: "I SPENT THE EVENING OF 8/1/74 WITH FRED ADEN, FORMER PRESIDENT OF GOODYEAR ARGENTINA. HE SAID HE WAS NATURALLY EXTREMELY DEPRESSED AND DISTURBED OVER THE TURN OF EVENTS WHICH CULMINATED IN HIS RESIGNATION FROM GOODYEAR, BUT HE LIMITED OFFICIAL USE

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WANTS TO MAKE IT VERY CLEAR THAT HE APPRECIATES THE FORCEFUL AND INTELLIGENT SUPPORT HE RECEIVED FROM AMBASSADOR HILL IN THIS MATTER. HE SAID HE FEELS THAT THE AMBASSADOR WENT OUT OF HIS WAY TO DO EVERYTHING POSSIBLE TO ASSIST GOODYEAR IN THIS DIFFICULT SITUATION, AND HE ALSO SAID HE WAS MORE THAN PLEASED WITH THE ASSISTANCE GIVEN TO HIM BY COMMERCIAL ATTACHE JOHN E WILLIAMS. MR. ADEN SAID HE FELT IT WAS UNFORTUNATE THAT SOME OFFICIAL IN WASHINGTON APPARENTLY GAVE A NEWS RELEASE

SPECULATING ON THE REASONS FOR HIS RESIGNATION. HE GAVE NO
OTHER INDICATION OF DISAGREEMENT WITH THE HANDLING OF THIS
MATTER EXCEPT ON THE BASIC DENIAL OF THEIR APPLICATION FOR
LICENSE." DECON 8-2-75.

HILL

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